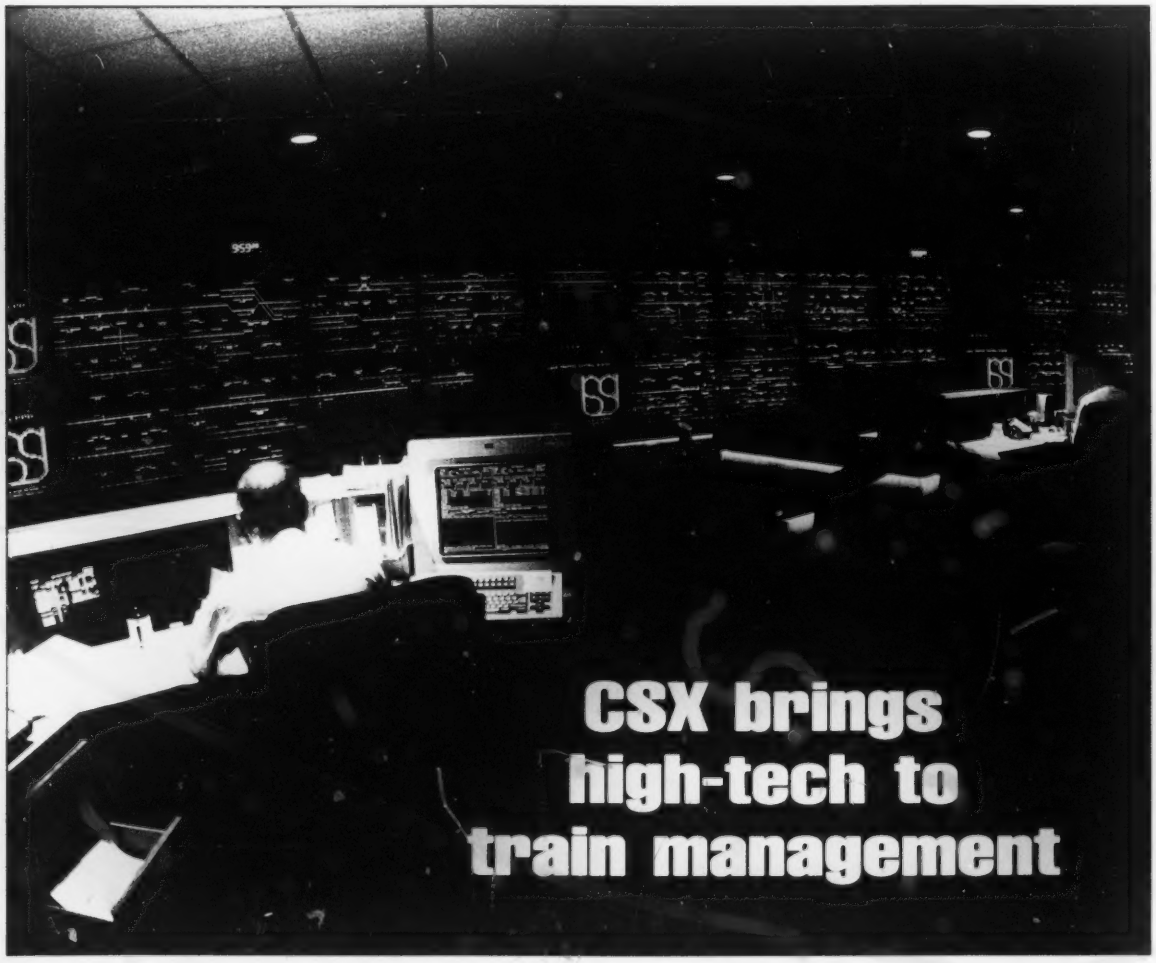
May 1989

Railway Age

...for the new age of railways and rail transit



CSX brings high-tech to train management

Mass transit: Boom times for builders

At BN, new efficiencies in coal transportation

Regional Railroad Planner's Guide

May 1989

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Features

39 CSX: "Welcome to the 21st Century"

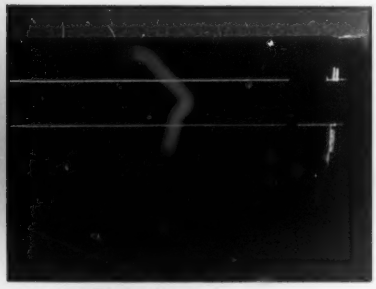
A new US&S-equipped operations center at Jacksonville permits CSX Rail Transport to monitor and control trains over virtually its entire 20,000 mile system. Crew-calling has also been centralized and computerized.

43 Coal-hauling, western style

Burlington Northern may not have written the book on coal transportation, but it has written a new chapter in coal-hauling efficiency with the help of its mines and its customers.

49 Equipment: Still playing catch-up

Orders for new cars and locomotives continue to rise, and rebuilding is going on at a fast pace; but shortages still loom. Power supply and grain car availability came in for special attention at Equipment Finance '89.



55 Transit cars: A bull market

Passenger railcar builders from half a dozen countries are divvying up a U.S. market that is expected to keep growing through the '90s. The rebuild business is also brisk.

61 Commuter roads: Suburban services flourish

In Part II of a road-by-road survey, Contributing Editor William D. Middleton covers systems ranging from MARC to Montreal and finds growth to be the common denominator.

81 Regional Railroad Planner's Guide

Railway Age examines the experiences of three new regionals and one old-timer and finds that they hold important lessons for start-up entrepreneurs. Also included in the Guide: A cross-indexed directory of consultants, suppliers, and others who can be helpful before, during, and after start-up.

Comment

6 Inside
11 Equipment Financial Trends
16 Watching Washington
20 Lines on Labor

Departments

11 Industry Outlook
12 Market Outlook
72 Products
107 People in the News
109 100 Years Ago
110 Letters
119 Advertising Sales
119 Advertisers Index
120 Meetings

Cover: CSXT control center photo by Larry Smith, Prototype Pix.

Update

23 Computerized double-stack terminal opens
23 Hagen returns to Conrail, as CEO
23 No "compelling" need for coal pipelines
25 CNW, challenged, comes out fighting
25 NS and UP win Reynolds awards
26 CP Rail adds 100 spine cars
26 FreightMaster's new owners will diversify
27 Conrail, OHM team up on waste disposal
27 Weighing, inspection groups merge
27 Operation Red Block spreads to Conrail
29 Santa Fe increases Hobart Yard capacity
29 Cost per injury put at $23,500
29 ACF diversifies into logistics
29 Matlack improves transfer facilities
32 Guilford and labor pledge cooperation in productivity quest
34 Phoenix rejects transit master plan
34 DART staff proposes 62 miles of rail
35 NJ Transit seeks to close funding gap
35 France studies new high-speed links
36 SEPTA's Gambaccini: Putting $4.5 billion into perspective
36 Controversy clouds LRT proposal
36 Oct. 29 start-up set for new NYCTA line

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INSIDE

CSXT takes on a jumbo-sized task

LUTHER S. MILLER

When railroads, shippers, and private car owners get together and the talk turns to grain car availability, tempers tend to flare and patience runs thin. At the Equipment Finance '89 conference in Montreal last month (p. 49), CSX Transportation's vice president-marketing, Aden C. Adams, suggested that it's time for both sides to cool the rhetoric; to stop trying to solve car shortages with lawyers and lobbyists; and to work together at the difficult task of insuring an adequate supply of costly cars in a cyclical marketplace.

Better utilization of existing equipment has to be a big part of the solution, said Adams, and he added that it's going to require herculean efforts on the part of both carriers and shippers. For one thing, he said, shippers are going to have to stop holding cars as long as they now hold them if turnaround is going to be improved.

Adams was not speaking in the abstract. CSXT has already embarked on such an effort. The first visible sign of it is reproduced here, a "Keep Those Jumbos Rolling" poster promotion designed to drive home to the railroad's employees and its customers the importance of working covered-hopper cars harder.

Said Jim Howarth, assistant vice president, agricultural products: "The visual image is humorous and eye-catching. But the message is quite serious. Using the 'jumbos' more efficiently is critical because the freight car fleet is aging and shrinking. Improving utilization is a low-cost way to add real capacity to the 'jumbo' fleet. This approach is especially attractive when one new car can cost as much as $45,000."

What CSXT has in mind is far more than a poster-oriented public relations campaign. "We have a strong operating team in place," said Howarth. "Jim Quinlan, director of covered hopper fleet utilization, is doing an excellent job. The key to further improvement is to enhance the value of efficient operations by adding capacity and offering incentive programs that strengthen the customer's business by encouraging better utilization."

CSXT is adding capacity by buying 2,000 new covered hoppers and repairing 1,600 others during 1989.

CSXT's incentive programs include "sharing the cost of expanding facilities to accept 15 and 65 car blocks of cars and increasing penalties after four days of free or low-cost time to load and unload cars." Costs for extra days are rising from $60 to $100.

CSXT has named a manager-service design, Linda Olsen, to search out speed-up opportunities, and has assigned another officer, Keith Douglas, to monitor the movements of privately owned jumbo hoppers.

Nobody says it's going to be easy—but the bottom line says that it can be worth the effort.

"If each of CSXT's cars makes just two more trips a year, customers can load 24,000 more cars annually," says Howarth.

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MARKET OUTLOOK

Equipment

Canadian National: Placed a $35 million (Canadian) order with National Steel Car Co. for 500 new 50-foot pulpwood cars that will have plug doors and steel linings and floors and will be vented.

Massachusetts Bay Transportation Authority: Awarded a $105.1-million contract to Nissho Iwai and Kawasaki for 75 double-decker commuter coaches, with an option for 70 aditional units. Deliveries will begin in 1990 and are to be completed by the end of 1991.

Trailer Train: Placed a $55.1 million order with Bethlehem Steel and Trinity Industries for 2,000 all-purpose articulated platforms for third quarter delivery. TT also ordered 900 double-stack wells, 750 from Gunderson and Thrall and 150 from Trinity. In the Gunderson/Thrall order, each well will be 48 feet in length with 20-foot container-carrying capacity in each well. The Trinity units will have 40-foot end wells with 20-foot container-carrying capacity and 48-foot intermediate wells. All will have 125-ton trucks.

United States Rail Services, Inc.: Placed a $27.25 million order with Trinity Industries for 500 plastic-lined covered hopper cars, with deliveries scheduled for second-half 1989. USRS, a subsidiary of U.S. Leasing, will lease the cars to chemical companies for the shipment of dry plastic materials. The USRS fleet currently numbers about 7,500 units.

Facilities

Bay Area Rapid Transit: Directors approved a contract valued at an estimated $17.839 million with Bay Area Transit Consultants, a joint venture, for general engineering and construction management for the Pittsburg, Warm Springs, Colma, and Dublin Canyon extensions. Work is to begin on all extensions by 1991. The joint venture consultants are Bechtel Civil, Inc.; Parsons Brinckerhoff, Quade and Douglas; Don Todd Associates; and J. Warren and Associates.

Connecticut DOT: Will acquire a 45-acre rail yard in New Haven, Conn., from Amtrak for $15.2 million and will invest $20 million over the next five years to modernize the maintenance facility.

CSXT/SP: Entered into a joint development agreement to construct a number of bulk distribution terminals throughout SP's 15-state system modeled after the 55 Bulk Intermodal Distribution Services (BIDS) terminals which CSXT has built on its own lines. The railroads will also jointly develop terminals at commonly served locations.

Dakota, Minnesota & Eastern: Will spend $9 million to upgrade 362 miles of main line between Rapid City and the Minnesota state line near Elkton, S.D., in order to raise maximum speeds to at least 25 mph over most of the line.

Revenue freight carloadings

Commodity	Apr. 8 week	Apr. 1 week	Mar. 25 week	Mar. 18 week	Mar. 11 week
Grain	32,523	32,152	30,003	32,344	31,045
Other farm products	2,304	1,751	1,627	2,110	1,773
Metallic ores	19,719	19,195	16,015	14,489	15,078
Coal	125,486	124,153	127,962	128,148	119,525
Crushed stone, gravel and sand	14,830	14,162	13,441	13,357	10,139
Nonmetallic minerals	9,524	9,825	9,014	9,350	8,695
Grain mill products	10,208	9,532	9,460	9,730	10,240
Food and kindred products	8,458	8,545	8,209	8,813	8,574
Primary forest products	9,285	9,609	8,945	10,248	8,877
Lumber and wood products	6,369	7,595	6,769	6,808	6,687
Pulp, paper and allied products	10,118	11,686	10,613	10,594	9,944
Chemicals	29,669	30,168	26,924	28,413	27,763
Petroleum products	4,934	5,531	4,670	5,128	5,157
Stone, clay and glass products	10,033	10,052	9,442	10,462	9,286
Coke	5,329	5,498	5,909	5,869	5,684
Metals and products	9,375	11,028	9,732	9,746	9,731
Motor vehicles and equipment	21,453	18,716	18,283	21,721	21,026
Waste and scrap materials	9,182	8,850	8,506	9,365	8,950
Forwarder and shipper assn. traffic	8	4	16	18	3
All other carloads	7,108	7,115	6,608	7,292	7,071
Total Cars Loaded	**345,915**	**345,167**	**332,148**	**344,005**	**325,248**
% change from previous year	3.0	7.3	(3.7)	2.0	(1.7)

		% change
Cumulative total: 14 weeks	4,640,148	0.6

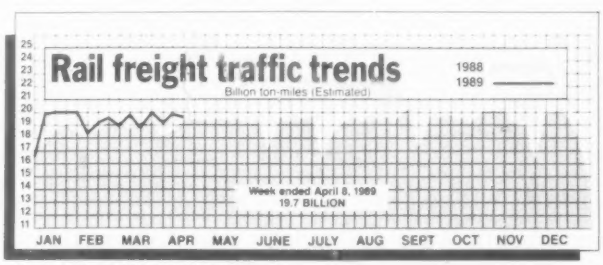
Estimated revenue ton-miles (billions)	19.7	19.9	19.2	20.0	18.9
% change from previous year	3.1	8.7	(3.0)	3.1	(.5)

Total:	**1989**	**1988**	**% change**
14 weeks	168.8	165.8	1.1

Intermodal traffic

	Apr. 8	Apr. 1	Mar. 25	Mar. 18	Mar. 11
Trailers	68,407	66,503	65,924	69,948	68,505
Containers	49,038	46,641	47,984	45,636	43,213
Total	**117,445**	**113,144**	**113,908**	**115,584**	**111,718**
% change from previous year	10.1	1.4	-.9	2.4	-.1

		% change
Cumulative total: 14 weeks	1,566,680	1.7


Rail freight traffic trends
Billion ton-miles (Estimated)
1988
1989
Week ended April 8, 1989
19.7 BILLION
JAN FEB MAR APR MAY JUNE JULY AUG SEPT OCT NOV DEC

Source: Association of American Railroads

Southern Pacific: Has installed Digital Traffic Control, a networked dispatch control system supplied by Digital Concepts, Inc. of Monroeville, Pa., for four dispatchers in its Los Angeles Division office. Each dispatcher workstation contains its own high speed processor and displays information via two high resolution color CRTs. SP plans to install approximately 20 additional workstations later this year.